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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/559,320	04/27/2000	Daniel J. McCabe	10449-003	1932

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EXAMINER	
FELTEN, DANIEL S	

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 01/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/559,320	Applicant(s) MCCABE ET AL.	
	Examiner Daniel S Felten	Art Unit 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *03 October 2003*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1 and 4-24* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☐ Claim(s) *1 and 4-24* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

13)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

a) ☐ The translation of the foreign language provisional application has been received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

1. Receipt of the amendment filed October 03, 2003 amending claims 1, 6, 7, 10, 15, 16, 23 and 24 is acknowledged. This office action is also in response to the Interview with Nanda Alapati on July 24, 2003. Claims 1, and 4-24 are pending in the application and are presented to be examined upon their.

Response to Arguments

2. Applicant's arguments filed October 03, 2003 and presented at the Interview On July 24, 2003 have been fully considered but they are not persuasive. The 35 USC 103 rejections from April 23, 2003 Office action are maintained. Upon further consideration of the comment that were made from the Interview of July 24, 2003 and from the October 03,2003 amendment that the applicant applies more stringent standard to the reference(s) than to the limitation of the claims. This is a reversal of their appropriate roles, as the reference is used as a whole as a teaching in light of the level of skill in the art. In particular, it has been argued by the applicant that the combination of references does not teach of disclose art wherein applicant's invention is market specific trading rather than sector specific. It is respectfully submitted to the applicant that references in determining obviousness are not read in isolation but for what they fairly teach in combination with the prior art as a whole, and are evaluated by what they suggest to one versed in the art rather than their specific disclosure [see In re Bozek, 163 USPQ 545 (CCPA 1969)]. In this case, the primary reference discloses a method for facilitating an exchange in ownership and a first financial instrument and/or plurality of

instruments representing ownership interest in a first portfolio, the first portfolio comprising units of an integer number M, different securities selected from a second portfolio, the secondary reference discloses a method a method by which the stocks are equally weighted with their respective portfolios. The deficiency in the mentioned above as they pertain to the presented claim language where addressed in the April 23, 2004 Office Action and is addressed identically in this action. The combination of references taken as a whole would suggest securities being traded in two or more securities markets (NASDAQ/CSE), which are weighted according to their distribution between the proportionate portfolios. Thus being within the ordinary skill in the art [see In re McLaughlin, 170 USPQ 209 (CCPA 1971)].

Claim Rejections - 35 USC 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. Claims 1, 4, 6, 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lau et al, "Trading of NASDAQ Stocks on the Chicago Stock Exchange", The Journal of Financial Research, Vol. XIX, No. 4, pages 579-584 (Winter 1996) (hereinafter "Lau") in view of O'Shaughnessy (US 5,978,778).

In claims 1, 6 and 16 Lau discloses a method for facilitating an exchange in ownership and a first financial instrument and/ or plurality of instruments (stock or stocks) representing ownership interest in a first portfolio (see Lau Abstract, Stocks *traded only on the NASDAQ*), the first portfolio comprising units of an integer number M (NASDAQ stock or stocks) different securities selected from a second portfolio (see Lau Abstract, *NASDAQ stocks traded on the Chicago Stock Exchange (ACSE@)*), the second portfolio comprising units of a integer number N (CSE/NASDAQ stocks) different securities, N>M, with the M different securities being a subset of N different securities (see Lau Abstract and Introduction),

wherein the first financial instrument (*a Stock within the NASDAQ portfolio*), and a second financial instrument representing an ownership interest in the second portfolio (*a Stock within the NASDAQ/CSE portfolio*), are traded on a securities market (see Lau Abstract and Introduction),

wherein all of the M different securities in the first portfolio are traded on a first securities market, and none of the other N-M different securities are traded on the first securities market (see Lau abstract and Introduction)

Lau discloses calculating the mean of each variable within the respective portfolios and ranking the stocks within the portfolios, but does not disclose wherein the *weight* of each security in the first portfolio is substantially similar to the securities corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio. O'Shaughnessy discloses a method by which stocks are equally weighted within their respective portfolios (see O'Shaughnessy, at least col. 2, ll. 35-52). Since Lau ranks each of the securities within the respective portfolios and also calculates a mean of them (see Lau, pages 581 and 582) it would have been obvious for an artisan at the time of the invention of Lau to integrate a weighting factor, as disclosed by O'Shaughnessy, into one of the calculations provided by of Lau because an artisan at the time of the invention would have recognized that providing a distinction (by weight) between the securities as either an art recognized equivalent to the ranking of securities provided by Lau or as constituting an alternative means of providing distinctions between securities that would be well within the ordinary skill in the art.

In claim 4, Lau discloses that the first and second instruments are both traded on the same (Chicago Stock Exchange--CSE) Market (see Lau Abstract and Introduction).

3. Claims 5, 15 and 17-24 and rejected under 35 U.S.C. 103(a) as being unpatentable over Lau et al, "Trading of NASDAQ Stocks on the Chicago Stock Exchange", The Journal of Financial Research, Vol. XIX, No. 4, pages 579-584 (Winter 1996) (hereinafter "Lau") as modified by O'Shaughnessy (US 5,978,778) as applied to claim 1 as discussed above, and in further view of Ferstenberg et al (herein after "Ferstenberg", US 5,873,071). The teachings of Lau as modified by O'Shaughnessy have been discussed above.

In claims 5 and 17-24, Lau as modified by O'Shaughnessy fail to teach the first and second financial instruments are both traded on the American Stock Exchange (AMEX) or that the index is Standard & Poor's 100 (S&P 500).

Ferstenberg teaches financial instruments (stocks and options) traded on a variety of exchanges/indices (see Fernstenberg, col. 1, ll. 25+). It would have been obvious for an artisan of ordinary skill at the time the invention was made to employ the teaching of Ferstenberg by the substitution of anyone of the exchanges for the CSE disclosed by Lau because the exchanges/indices are art recognized equivalents in as much as the exchanges allow various securities to be traded on them. Thus an artisan of ordinary skill in the art would have recognized the similarities between exchanges and have sought to use one of the exchanges as an obvious extension to the teachings of Lau to create greater use of the invention. Thus to substitute one exchange for the another would have been obvious.

In claim 15, Lau fails to disclose a step of receiving an first offer to sell and first financial instrument; a step of receiving a second offer to buy the first financial instrument; and matching first and second offers. Ferstenberg discloses a step of receiving an first offer to sell and first financial instrument; a step of receiving a second offer to buy the first financial instrument; and matching first and second offers (see col. 3, ll. 42+). Since Lau discloses an invention for stock "trading", inherently buy and selling of securities, it would have been obvious for an artisan of ordinary skill at the time of the invention to integrate the buying, selling and matching of the trade aspect of Ferstenberg's invention because an artisan at the time of the invention would recognize that these notoriously old and well known features would be desirable for trading of securities over an exchange. Thus such a modification of Lau by Ferstenberg would constitute an obvious expedient well within the ordinary skill of the art.

4. Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over Lau in view of O'Shaughnessy and In re Harza, 124 USPQ 378, 380; 274 F.2d 669 (CCPA).

In claim 10, Lau discloses all limitations presented in the claim with the exception of disclosing a first *set* or portfolios and wherein the weight of each security in any one of the first set of portfolios C_j is substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of C_j within the second portfolio.

The disclosure of a set of portfolios is not seen as patentable because it constitutes a mere duplication of parts (see In re Harza), which have no unexpected results, than that disclosed and practiced in a first portfolio presented in Lau's invention.

Furthermore Lau does not disclose wherein the *weight* of each security in any one of the first portfolios is substantially similar to the securities corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio. O'Shaughnessy discloses a method by which stocks are equally weighted within their respective portfolios (see O'Shaughnessy, at least col. 2, ll. 35-52). As mentioned previously in regards to claims 1 and 6, it would have been obvious for an artisan at the time of the invention of Lau to integrate a weighting factor, as disclosed by O'Shaughnessy, into one of the calculations provided by of Lau because providing a distinction (by weight) between the securities are art recognized equivalents to the ranking of securities provided by Lau and constitute an alternative means of providing distinctions between securities.

Conclusion

3. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ***Daniel S. Felten*** whose telephone number is (703) 305-0724. The examiner can normally be reached between the hours of 7:00AM to 5:30PM Monday-Thursday. Any inquiry of a general nature relating to the status of this application or its proceedings should be directed to the Customer Service Office (703) 306-5771, or the examiner's supervisor ***Vincent Millin*** whose telephone number is (703) 308-1065.

Response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C. 20231

for formal communications intended for entry, or (703) 305-7687, for informal or draft communications, please label AProposed@ or ADraft@. Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to *[daniel.felten@uspto.gov]*.

All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1 195 OG 89.

DSF
January 20, 2004

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